

## LNF & IHCIF Calculations Illustration

### - CHOCTAW (Jena Band) in Nashville area -

#### Given Data

- 122 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 92.2% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$2,473 per person for purchased services =  $90\% * 92.2\% * \$2,980$
- \$404 per person for in-house services =  $10\% * 135.7\% * \$2,980$
- \$2,877 per person total = \$2,473 (purchase) + \$404 (in-house)
- **\$2,760 per person total** adjusted for health status =  $\$2,877 * 95.9\%$
- **\$2,015 per person net cost** =  $\$2,760 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 122 users excluding wrap-around and collections)

- \$1,652 per person = local IHS allowance (excludes \$ for wrap-around)
- \$134 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,840 per person for OU users** =  $\$1,652 + \$134 + \$54$

#### LNF Calculation

- **66.7% Gross LNF** =  $\$1,840$  (expenditures) /  $\$2,760$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **91.3% Net LNF** =  $\$1,840 / \$2,015$  net cost ( $\$2,760 - \$745$  other)

#### IHCIF Allocation

- \$0 = \$ to raise LNF% from 91.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$0 Allocation** = \$0 needed for 60% \* 3.488% IHCIF fraction

#### CHOCTAW (Jena Band) Unmet Needs

- **\$245,826 Net Total Need** =  $122$  users \*  $\$2,015$  net cost
- **\$21,314 Net Unmet Need** =  $(100\% - 91.3\% \text{ LNF}) * 122$  users \*  $\$2,015$  net cost